



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

January 27, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

This memorandum provides the State Controller's analysis of revenue and expenditure estimates contained in the Governor's Proposed Budget for the remainder of the current fiscal year; an update on four County-sponsored bills relating to: 1) single-use carryout bags; 2) use of Bridges and Thoroughfares fees; 3) off-site board of supervisors meetings; and 4) homeowner notification program; and the status of a County-supported measure banning the use of body armor by convicted felons.

State Controller's Cash Flow Analysis

On January 22, 2010, the State Controller released an analysis of revenue and expenditure estimates contained in the Governor's Proposed Budget for the remainder of the current fiscal year. The Controller estimates that the cash flow will be weak with the State's resources dropping below the \$2.5 billion prudent minimum by March 30, 2010.

The Controller cautions that barring any unforeseen circumstances, \$2.7 billion in State Budget solutions are needed to avoid a cash shortfall in the current fiscal year, and further notes that even with the passage of the Governor's proposed \$8.9 billion in Special Session solutions by March 2010, at least another \$2 billion in solutions will be required to protect the cash balance in the current fiscal year. Should the Legislature and the Governor fail to enact solutions to address the current year shortfall by July 1, 2010, the Controller estimates that the State's cash flow will drop below the \$2.5 billion prudent minimum in mid-July resulting in a \$1.1 billion cash deficit by July 29, 2010.

"To Enrich Lives Through Effective And Caring Service"

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The Controller urges the Legislature and the Governor to promptly address the State fiscal crisis or his office will once again be forced to seek emergency financing, or conserve cash by delaying payments or issuing registered warrants (IOUs).

Status of County-Sponsored Legislation

County-sponsored AB 87 (Davis), which as amended on April 27, 2009, would prohibit grocery stores and other defined store categories from providing a single-use carryout bag, including a green carryout bag to a customer, unless the store charges a fee of not less than \$0.25 per bag at the point of sale, was held in the Assembly Appropriations Committee on January 21, 2010. According to Assembly Appropriations Committee staff, AB 87 was held as a result of concerns of program start-up costs for the new State Department of Resources Recycling and Recovery and because of the lack of desire in the Legislature to pursue new fees at this time. A similar bill, AB 68 (Brownley), also was held in the Assembly Appropriations Committee.

County-sponsored AB 133 (Smyth), which as amended on January 4, 2010, would: 1) authorize Los Angeles County to use Bridges and Thoroughfares (B&T) District fees for a broader definition of construction (the same definition which currently exists for San Diego and Orange Counties); and 2) allow a fund to be established within a B&T District benefit area for the construction of multiple bridge and thoroughfare projects, passed out of the Assembly on January 19, 2010, by a vote of 71 to 0. The bill now proceeds to the Senate.

County-sponsored AB 139 (Brownley), as amended on January 14, 2010, which would permit a county board of supervisors to hold one or more regular meetings of the board at locations other than the county seat, passed out of the Assembly on January 25, 2010, by a vote of 57 to 0. The measure now proceeds to the Senate.

County-sponsored SB 878 (Liu), as introduced on January 12, 2010, would enhance the Los Angeles County's existing homeowner notification program when a notice of default, notice of sale, deed, quitclaim deed, or deed of trust is recorded. In addition, it would authorize the County to collect a fee for the recording of a notice of default or a notice of sale. This measure is currently in the Senate Judiciary Committee awaiting a hearing date.

Status of County-Advocacy Legislation

County-supported SB 408 (Padilla), as amended on January 13, 2010, would reinstate California's law banning the possession or use of body armor by violent felons. The Second Appellate District Court of Appeals recently overturned this law. According

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to the District Attorney's Office, the ban of bulletproof vests was ruled to be unconstitutional because the definition of body armor was too vague. SB 408 would change the definition of body armor to mean any bullet-resistant material intended to provide ballistic and trauma protection for the wearer. The bill contains an urgency clause making it effective immediately if passed by the Legislature and signed by the Governor. SB 408 passed the Senate Appropriations Committee on January 21, 2010, by a vote of 9 to 0. The measure now proceeds to the Senate Floor.

We will continue to keep you advised.

WTF:RA
MR:IGEA:sb

Attachments

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants